

## Message Text

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PAGE 01 GENEVA 02910 091737Z

60

ACTION EB-11

INFO OCT-01 ARA-16 IO-14 ISO-00 OIC-04 AGR-20 CEA-02

CIAE-00 COME-00 DODE-00 FRB-02 H-03 INR-10 INT-08

L-03 LAB-06 NSAE-00 NSC-07 PA-04 RSC-01 AID-20

CIEP-02 SS-20 STR-08 TAR-02 TRSE-00 USIA-15 PRS-01

SP-03 FEA-02 OMB-01 SWF-02 DRC-01 /189 W

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R 091710Z MAY 74

FM USMISSION GENEVA

TO SECSTATE WASHDC 5653

INFO AMEMBASSY BRASILIA

LIMITED OFFICIAL USE GENEVA 2910

E.O. 11652: N/A

TAGS: ETRD, GATT

SUBJECT: MTN: PROPOSED BRAZILIAN INITIATIVE ON SUB-  
SIDIES AND COUNTERVAILING DUTIES IN TNC

REF: A. CARACAS3761; B. BRAZILIA 3176

1. SUMMARY. U.S. MTN DELEGATION FOLLOWED UP EBERLE/  
SILVERIA AND EBERLE/BATISTA CONSULTATIONS IN BRASILIA  
BY MEETING WITH BRAZILIAN MISSION IN GENEVA RE USG AND  
GOB POSITIONS IN MTN ON SUBSIDIES AND COUNTERVAILING  
DUTIES. BOTH SIDES EXCHANGED PAPERS WHICH THEY  
PROPOSE TO TABLE FOR THE MAY 29-31 MEETING DEVOTED TO  
SUBSIDIES AND COUNTERVAILING DUTIES OF THE NTB WORKING  
GROUP OF MTN'S TRADE NEGOTIATING COMMITTEE  
(TNC). END SUMMARY.

3. ON INSTRUCTIONS FROM BRASILIA, MEDEIROS,  
RESPONSIBLE FOR MTN IN BRAZILIAN MISSION IN GENEVA,  
CONTACTED U.S. DELEGATION RE PAPER WHICH BRAZILIAN  
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PAGE 02 GENEVA 02910 091737Z

DELEGATION PLANS TO HAVE DISCUSSED BY TNC WORKING

GROUP ON NTBS. FOLLOWING LINE SET BY AMBASSADOR EBERLE WHILE IN BRASILIA, KELLY AND RAY OF U.S. MTN DELEGATION GAVE BRAZILIANS ADVANCE COPY OF U.S. PAPER ON SUBSIDIES WHICH WE HAVE GIVEN TO GATT SECRETARIAT FOR CONSIDERATION IN MAY 29-31 MTN MEETING. WE ARRANGED MEETING WITH MEDEIROS AND WITH BRAZILIAN ECONOMIC MINISTER BIER WHO RECENTLY ARRIVED IN GENEVA.

3. BRAZILIANS SHOWED U.S. DRAFT OF STATEMENT FOR MAY 29-31 MEETING WHICH THEY HAD WRITTEN UPON INSTRUCTIONS FROM BRASILIA. THIS STATEMENT CALLED FOR 1) JOINT CONSIDERATION OF SUBSIDY/COUNTERVAIL PROBLEM; 2) SPECIAL TREATMENT FOR EXPORT SUBSIDIES BY LDC'S IN ORDER TO HELP THEM FACE BOP PROBLEMS PROVOKED BY ENERGY CRISIS AND IN ORDER TO HELP INFANT INDUSTRIES; 3) MEETING OF NTB GROUP DEVOTED TO DISCUSSION OF SPECIAL TREATMENT FOR LDCS; AND 4) CONSIDERATION OF PROBLEM BY AGRICULTURAL GROUP. BRAZILIANS INFORMED US THAT THEY WOULD SEND DRAFT STATEMENT TO BRASILIA SOONEST FOR APPROVAL. THEY PROMISED TO GIVE US COPY OF TEXT AS FINALLY APPROVED BEFORE GENERAL DISTRIBUTION.

4. WE THANKED BRAZILIANS FOR THIS OPPORTUNITY FOR FRANK AND INFORMAL CONSULTATIONS. WE SAID THAT USG FAVORS RENEWED LOOK AT SUBSIDY/COUNTERVAIL PROBLEM WHICH WE, LIKE THEY, FEEL REQUIRES JOINT CONSIDERATION AND SOLUTION. WE DOUBTED, HOWEVER, UTILITY OF MEETING OF NTB GROUP EXCLUSIVELY FOR CONSIDERATION OF SPECIAL TREATMENT FOR LDCS AND SUGGESTED THAT IT IS PREMATURE TO BRING IN AGRICULTURE GROUP BEFORE PROBLEM IS FULLY CONSIDERED IN NTB GROUP. WE SAID THAT THEIR ECONOMIC ARGUMENTS FOR SPECIAL TREATMENT FOR EXPORT SUBSIDIES BY LDCS WERE INTERESTING AND MERIT STUDY. WE INDICATED, HOWEVER, THAT IT WAS DIFFICULT TO CONSIDER ANY SPECIAL TREATMENT FOR LDCS BEFORE THERE ANY INDICATION OF WHAT RULES MIGHT BE AGREED ON SUBSIDIES AND COUNTERVAIL.

5. MEETING ENDED WITH BOTH DELEGATIONS AGREED THAT MAY 29-31 MEETING MARKED NEW DEPARTURE IN CONSIDERATION SUBSIDIES/ LIMITED OFFICIAL USE

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PAGE 03 GENEVA 02910 091737Z

COUNTERVAIL QUESTION AND THAT THESE PROBLEMS MUST BE LINKED IN ANY AGREED SOLUTION. DALE

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LESS DEVELOPED COUNTRIES, TRADE VISITS, AMENDMENTS, COUNTERVAILING DUTIES, INVESTMENTS, TARIFF NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 09 MAY 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GarlanWA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 2  
**Previous Channel Indicators:**  
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**Review Authority:** GarlanWA  
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**Review Date:** 14 JUN 2002  
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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MTN: PROPOSED BRAZILIAN INITIATIVE ON SUB- SIDIES AND COUNTERVAILING DUTIES IN TNC  
**TAGS:** ETRD, GATT, (EBERLE, WILLIAMS)  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005